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RUEHPT/AMCONSUL PERTH PRIORITY 0035

RUEHDN/AMCONSUL SYDNEY PRIORITY 0705

RHMFSS/COMDT COGARD WASHINGTON DC PRIORITY

RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

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UNCLAS SECTION 01 OF 05 WELLINGTON 000276

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SUBJECT: PACIFIC ISLAND FORUM 2008: POST FORUM DIALOGUE

WRAP-UP

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**¶1.** (SBU) Summary. During the August 21 Post Forum Dialogue, dialogue partner nations outlined ongoing and projected assistance projects with the Pacific island nations and generally lauded the Forum's Communiqué issued a day earlier. Most countries associated themselves with the Forum's strong statement on Fiji, which Niue Prime Minister Talagi noted represented the sentiments of all Forum nations.

China, Thailand, Indonesia, India, and the Philippines avoided any mention of Fiji in their interventions and focused on development issues; Malaysia urged continued "ASEAN-style" dialogue with Fiji's Interim Government. The four main topics of discussion (climate change, energy security, food security, and fisheries) were welcomed by dialogue partners, who renewed their pledge to assist the Pacific Island Countries (PICs) meet their Millennium Development Goals. All countries also welcomed the news of Samoan candidate Tuiloma Neroni Slade as the new PIF Secretary General. The PIF agreed to support Canada's bid for the UNSC in 2010-2012. PDAS Davies informed participants about the Energy Development for Island Nations project; Nauru and Cook Islands officials made a plea for USG technical assistance on renewable energy issues. PDAS Davies emphasized in his bilateral discussions the continued need to support the PIF in promoting a return to democracy in Fiji. During Davies' bilateral meeting with the European Commission, the EC urged enhanced trade capacity within the PIF Secretariat. End Summary.

**¶2.** (U) The Post Forum Dialogue partners which participated in Niue were China (PRC), Canada, the European Commission, France, India, Indonesia, Italy, Japan, Korea, Malaysia, the Philippines, Thailand, the United Kingdom and the United States. Taiwan reportedly held concurrent meetings with its diplomatic partners during the day on August 21 at the resort where PIF leaders stayed.

Post Forum Dialogue (Mostly) Supports PIF Action on Fiji

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**¶3.** (U) Niue Prime Minister Take Talagi opened the August 21 Post Forum Dialogue partners meeting by briefing donors on the highlights of the Forum Communiqué, issued on August 20. As the PIF nears the end of the third year of implementing the Pacific Plan, progress has been made but challenges

remain for the four pillars (economic growth, sustainable development, good governance, security). Talagi welcomed New Zealand's offer to fund a regional experts meeting in October 2008 that will examine the purchase of bulk fuel oil as a means of reducing energy costs. The Pacific region has had mixed results in achieving Millennium Development Goals (MDG) but there are synergies between the large (Australia, New Zealand) and smaller island states that may help -- particularly the financial boost for island economies as a result of the employment schemes in Australia and New Zealand, which are "welcomed and valued," added Talagi. The Forum has adopted a declaration on climate change, which affects PICs through sea level rises, coastal erosion and increased severe weather incidents.

**¶4. (U)** On Fiji, PM Talagi noted that the Forum is the supreme political body in the region and must retain its credibility and integrity. It was important to send a strong message to Fiji, consistent with the Bitekawa Declaration process, that Fiji must honor the principles of democracy, continued the Niue PM, and return to democracy as quickly as possible. Talagi said that it is a political threat to the other countries in the Forum if they appear to condone the coup in Fiji. The Communique's language on Fiji makes clear that the PIF does not accept the situation in Fiji and that decision was taken by all Forum countries, Talagi stressed.

**¶5. (SBU)** Most dialogue partners associated themselves with the Forum's strong statement on Fiji. PDAS Davies observed that, considering Fiji's actions, the Communique was balanced, thoughtful, and if anything, restrained. He noted USG support for the PIF's lead on Fiji. China, Thailand, Indonesia, India, and the Philippines avoided any mention of Fiji in their interventions and focused on development

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issues; Malaysia urged continued "ASEAN-style" dialogue with Fiji's Interim Government. Concerning the Millennium Development Goals, the UK urged the PICs to be present at the September 25, 2008 MDG meeting in New York at the UN. Canada noted its continuing technical assistance program in helping the PICs maintain secure identity documents. France offered to do more in the region on infrastructure, but noted its disappointment in the Forum decision to maintain two of its dependent territories (Wallis and Futuna) as observers rather than grant them associate member status like French Polynesia and New Caledonia. As EU President, France promised to use the European Development Fund for increased environmental assistance in the Pacific.

**¶6. (U)** Indonesia referenced its scholarship programs for PIF students (66 since 2003) and said that there would be cultural and media opportunities in 2009 through new Asia Pacific Partnership programs. India emphasized its training programs in the region as part of its "look east" strategy underway since the early 1990s. Future emphasis will be placed on science/technology cooperation, capacity building and economic engagement. Korea intends to focus on economic growth within the region through a newly established Korean-PIF Cooperation Fund, which will include an e-government workshop in Korea as part of a three-year pilot project. China welcomed the socio-economic progress of the PICs and stated its commitment to assist countries on their chosen development paths. China offered to step up economic cooperation and trade links, and use the China-PIF Cooperation Development Fund to improve human resource capacity, Pacific Plan activities, and the South Pacific Regional Environmental Program (SPREP). China promised help on climate change projects and enhanced support for sustainable development. PDAS Davies applauded the Forum for focusing on the right themes in its agenda and welcomed the opportunity to follow up on Secretary Rice's historic meeting in Samoa. The European Commission representative noted that the EC had recently tripled financial support to the region. In their statements, all countries welcomed the announcement of Samoan candidate Neroni Slade as the new PIF Secretary

General.

#### Climate Change

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**¶7.** (U) Tuvalu Special Envoy Enele Sopoaga outlined PIF concerns regarding climate change, noting that the region was tackling its emissions output despite member states being low emitters. The region hopes to reduce overall emissions by 33% by 2015, but Sopoaga noted that the total carbon eliminated would only account for a single Clean Development Mechanism (CDM) project in China. Adaptation remains a key concern for PICs, which are increasingly formalizing national action plans for adaptation and successfully seeking international donor support for mitigation projects. Sopoaga urged developed nations and large developing economies to commit to comprehensive greenhouse gas (GHG) reductions. He singled out the United States, as the world's largest emitter, for a special plea to implement a legal mechanism for addressing GHG emissions. The Tuvalu representative gently chided the international community for continuing to debate climate change and fund studies when the time has come for concrete action in the highly vulnerable Pacific region.

**¶8.** (SBU) France noted that as the chair of the EU, the Union wants to be the voice of reason and compromise on climate change. The EU will try to reorient its development policies to align with climate change, balance mitigation measures, promote the rapid development of renewable technologies, ensure financing is available and assist the marketplace to disburse those technologies. The European Commission mentioned that on climate change, the EC would have deeper dialogue with small island developing states through the Global Climate Change Alliance. The EC has provided an additional 3.5 million Euros as budget support to the Government of Vanuatu, and that money could be used to support climate change projects. The second area for EC support is through the National Indicative Cooperation

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Programs, where the EC has 80 million Euros budgeted for climate change work. China said that at the international level, its government has urged more financial support on climate change for LDCs from the developed world. Bilaterally, China will share its own progress in increasing the mix of renewable energy with PICs as well as help with capacity building in this area.

**¶9.** (U) Indonesia and India mentioned national climate change programs and tax incentives that their countries have adopted and that could be shared with the PICs. The UK is helping Caribbean countries assess the economic impact of climate change and would like to extend this work to the Pacific. The UK also proposed more public-private partnerships for the region. Japan is promoting its Cool Earth policy and plans to reduce GHG for Hokkaido by 50% by 2050. Canada noted that it will co-sponsor the draft UNGA resolution of small island states regarding climate change as a global threat, will support regional projects through SPREP, and examine a possible adaptation contribution either through Kyoto or the World Bank. PDAS Davies associated the USG with the Tuvalu statement and noted US commitment to addressing this issue within the UN framework and the major economies initiative of President Bush. He outlined the Energy Development for Island Nations (EDIN) initiative of the U.S. and New Zealand. PM Clark applauded the Australian government under PM Rudd for signing the Kyoto Protocol, which allowed the PIF to proceed on climate change in unanimity.

#### Energy Security

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**¶10.** (U) Marshall Islands President Litokwa Tomeing read the Forum statement on energy security, noting that energy is critical for economic growth. He urged donor assistance in

increasing the usage of renewable energy as a means of cutting the crippling costs of imported petroleum products to PICs. The President welcomed the New Zealand proposal to consider bulk fuel purchasing. He noted the potential for use of local crops (coconut, cassava) for biofuel production but warned that such production would have implications for food security. A number of donors offered that their economies had also been affected by the surge in global fuel prices. China noted that energy security is imperative for economic growth, sustainable development and social stability. China is therefore placing greater emphasis on renewables and clean energy research, not only for China's domestic energy needs, but also for other developing nations. Some small-scale projects in China may be relevant to the PICs and China would look to expand its efforts to the Pacific. Indonesia added that some of its community-based projects may be useful models for the PICs and offered to share information. New Zealand emphasized that bulk fuel procurement could help trim PIC energy budgets, but only by a minor percentage. PM Clark said that some countries, e.g., Kiribati, will have to increase domestic fuel storage capacity if bulk procurement goes forward, and the international financial institutions may have a role to play vis-a-vis funding necessary infrastructure.

#### Food Security

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¶11. (U) PNG Foreign Minister Samuel Abal briefed the dialogue partners on food security issues facing the PICs, noting that the islands are not self-sufficient producers of food and increased energy costs translate into increased food costs due to higher price for food transportation. He noted that people were reverting to cheaper, less nutritious foods as a result, and that was compounding already existing health issues in the Pacific. Food export restrictions by some rice producing countries had further exacerbated the problem for the Pacific islands. More support for the agricultural sector is needed; farmers need access to capital/credit and technical support. Abal encouraged the PFD partners to work with regional PIF agencies on food security issues.

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¶12. (U) The EC and PDAS Davies noted that food security was an issue worldwide and outlined some of the assistance programs aimed to help developing countries, including the PICs, address this issue. Davies commented on USG efforts to support a Secretariat of the Pacific Community (SPC) seed bank of indigenous PIC plants. Japan offered that it was the only G-8 country not self-sufficient in food production, adding that Japan is helping PNG rice farmers. Thailand, Indonesia, New Zealand, China, and Italy stressed that the PICs should focus on increasing local food productivity.

#### Fisheries

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¶13. (U) Alik Alik, the Vice President of the Federated States of Micronesia outlined the challenges facing the Pacific in maintaining fish stocks for future generations. He lamented the lack of effective conservation and management measures to sustain tuna stocks, noting that the annual catches have increased from 1.5 million metric tonnes (MT) in the 1990s to 2.1 million MT in 2006 with an estimated value of USD 3 billion. Illegal fishing and the refusal of some fishing nations to agree to strong monitoring and surveillance measures threatens the long-term sustainability of the region's tuna resources. France called for tougher monitoring and surveillance efforts and highlighted under-reported catches as an issue. Canada, Korea and the US underscored their support for the West Central Pacific Fishing Commission's suggested controls and also urged better law enforcement and surveillance. Japan questioned the legality of a recent decision by some PICs to prohibit foreign fishing vessels from fishing in the international

waters between their EEZs (so-called "donut holes"). PDAS Davies mentioned the U.S. commitment to pursuing further shiprider agreements to strengthen enforcement capabilities.

¶14. (U) Niue PM Talagi closed the session by underscoring the importance of fisheries to the Pacific. He noted that all the monitoring mechanisms implemented for other oceans have ultimately failed, and warned that the Pacific is approaching a tipping point that could lead to unsustainability. The PM said that estimates (USD 6 billion) of the illegal fishing catch are double that of the legal, reported catch and pointedly observed that some of the companies conducting illegal fishing in the region are based in dialogue partner countries. He expressed his hope that all countries would "be serious" about this issue and not wait until the Pacific was emptied of its marine resources similar to the Atlantic or Indian Oceans.

PDAS Davies Bilateral Meetings

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¶15. (SBU) PDAS Davies met separately with the UK, NZ and EC delegations on the margins of the PFD meeting. He stressed strong USG support for the Forum Communique and continued US backing of the PIF in dealing with Fiji. Representatives from the UK and EC delegations based in Fiji provided Davies with their assessment of the current internal political dynamics in Fiji. The EC mentioned the need for enhanced trade capacity within the PIF Secretariat. In a meeting with Cook Island and Nauru officials, National Renewable Energy Laboratory Executive Manager of Integrated Deployment Mary Werner explained the Energy Development for Island Nation initiative of the DOE and opportunities for small island nations in the Pacific to learn more about renewable energy. PDAS Davies urged the officials to be creative and forward-leaning on addressing energy issues, and pledged that the USG would remain engaged and seek ways to be helpful.

¶16. (SBU) Davies met in Auckland with New Zealand MFAT CEO Simon Murdoch on bilateral subjects (septel). He exchanged views on Fiji with the Australian delegation in an informal meeting in Niue after the PIF concluded. In a sidebar conversation with Tongan PM Fred Sevele, Davies urged that Tonga remain on track toward more open, democratic parliamentary elections in 2010.

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Comment

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¶17. (SBU) Given the infrastructure constraints imposed by holding such a meeting in Niue, the meeting probably went as well as expected. However, most interventions comprised "set piece" lists of assistance programs rather than genuine dialogue designed to collectively address the serious issues facing the Pacific. At best, most countries offered promises to do more but there was little tangible that came out of the PFD. As the USG delegation departed, a senior New Zealand MFAT official spoke for a number of other attendees by observing that the PFD format usefully could be changed for the next meeting in Australia. End Comment.

McCORMICK